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Review of the regional cooperation framework for Latin America and the Caribbean, 1997-2000

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Introduction

1. The first regional cooperation framework (RCF) for Latin America and the Caribbean was approved for the period 1997-1999 and was extended for one additional year. It focuses on five priority areas: (a) social development and poverty eradication, (b) governance and the consolidation of democracy, (c) environment and development, (d) science and technology and (e) trade and integration. Gender was addressed as a cross-cutting issue and incorporated into each priority area.

2. The purposes of the review of the first RCF are: (a) to assess how regional programmes and projects have contributed to the achievements of the objectives of the RCF and (b) to draw lessons from its implementation and to make recommendations for the formulation of the second RCF. The review covers Latin America and the Caribbean i.e., programmes of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS) multi-island programmes.

3. An independent team of consultants conducted the review. First, they interviewed relevant UNDP headquarters staff, performed a desk appraisal of relevant documentation (the first RCF and its implementation strategy, project documents, evaluation reports, the regional strategic results framework (SRF) and the results-oriented report (ROAR) and the audit report of global, interregional and regional projects). Second, the consultants visited 10 countries (Argentina, Barbados, Brazil, Cuba, Costa Rica, Chile, Ecuador, Guyana, Honduras and Mexico) and held discussions with national authorities in charge of development cooperation, sectoral authorities and UNDP resident representatives. They also visited the headquarters of four regional organizations: the Economic Commission for Latin America and the Caribbean (ECLAC), CARICOM, the OECS secretariat and the Central American Integration Secretariat (SICA) and met with representatives of the World Bank and the Inter-American Development Bank (IDB). Finally, consultants and RBLAC headquarters staff jointly prepared the report.

I. The regional context

4. Despite the structural reforms adopted in many countries of the region, the rate of economic growth was only 2.9 per cent during the 1990s. Poverty and inequality increased rapidly during the 1980s, in the context of economic stagnation, debt crisis and weak macroeconomic management. Consequently, macroeconomic stabilization, structural adjustment and economic reform were high on the agenda of all countries in the region. Poverty trends shifted in 1990-1997: while the poverty incidence and the number of poor in 1997 were still higher than in 1980, the rate of change of those aggregates was stationary and/or decreasing. Inequality, on the other hand, continued to increase, contributing to the economic phenomenon where Latin America and the Caribbean is the region with the greatest income disparities in the world.

5. During 1997-1999, the countries of the region have continued to implement economic policies promoted by the Washington Consensus since the beginning of the decade. The proportion of households below the line of poverty diminished between 1990 and 1997 from 41 per cent to 37 per cent. Given the stability reached since the beginning of the decade, the countries were able to overcome, although with difficulties, the Mexican financial crisis of 1994 and are now recuperating from the South-East Asia crisis of 1997. These episodes have revealed the vulnerability of the economies of the region with respect to external shocks and have called into question the credibility of the current paradigm of development in view of low economic growth and the high social cost and negative political consequences of its implementation.

6. Over the last three years, the region has confronted a number of social crises caused by economic inequality. Unemployment (20 million people) and the expansion of an informal economy (57 per cent of the active population) are at the core of societal concerns. Social unrest, produced by inequitable access to the benefits of development and successive periods of recession, has hindered public safety and elevated crime incidence. This phenomenon costs an estimated 7.5 per cent of the average gross national product in the region. The absolute number of poor rose again during the recent crises from 200 million people to 224 million in spite of a significant increase in public resources allocated to social expenditures. Results at the end of the decade are

below the expectations projected in the first RCF. This deterioration also demonstrates the need for a new vision and a strategy that is more responsive to the development challenges of the region and that gives priority attention to eradicating poverty.

7. In the specific case of the Caribbean countries, economic growth has been sluggish, characterized by high unemployment, fiscal difficulties, recurring external imbalances, and distortions in resource allocation in favour of highly subsidized State enterprises. This has all led to an increase in the incidence of poverty. While these countries have been undergoing transition from agriculture-based economies to ones based on the services sector, they are having to make new adjustments to position their economies to benefit from the process of globalization.

8. During the last few years, the increasing social gap and political practices have put in jeopardy the reputation of political parties. Only 15 per cent of the population in the region consider themselves represented by the political class or actively participate in political activities. Corruption is one of the most significant problems that affect the credibility and legitimacy of the institutions, including parliament and the judiciary. In this context, democratic governance for human development will continue to prevail in the UNDP agenda. Cooperation in this area is needed not only to emphasize democratic values through a greater participation of society but also to bring about an effective administration of public goods, sustainable development, adequate response to legitimate demands, and the strengthening of civil societies and of governance institutions.

9. The social, political, and economic situation in the region is rapidly changing with an increase in the unfulfilled expectations of the people. During the last 15 years, the majority of the population experienced a period of adjustment that demanded inequitable sacrifices and generated social exclusion. The credibility of the current development paradigm has diminished. It will be necessary to re-examine postulates and propose innovative yet realistic initiatives that can help to overcome existing obstacles in order to define better the role that should be played by the regional programme in addressing these challenges.

II. Regional cooperation framework

10. During the period under review, the scope of the RCF strategy, while consistent with the UNDP mandate for sustainable human development, has been constrained by a reduction of core resources from $21.7 million to $15.2 million. Moreover, effective 1 January 1999, the administrative and operational services were charged to the regional target for resource assignment from the core (TRAC). This shortfall of seed money hampered the mobilization of non-core resources ($64.2 million were received), which resulted in delays in negotiating these non-core resources and consequently in a delivery that was much lower than expected. Total available resources (core plus non-core) reached $79.4 million. Despite these limitations, the implementation of the RCF achieved important results. In the future, the RCF should be systematically linked to the large UNDP portfolio in the region (approximately $3,000 million executed from 1997 to 1999). Also, the outputs of national programmes (policies, experiences, lessons learned, operational practices) should be transformed through the RCF into global public goods. This implies a redefinition of the role of the RCF and its financial strategy.

11. Rapid globalization and the structural transformations of the last decade have created new opportunities for economic and political cooperation among countries. In this context, UNDP should promote cooperation between countries and support them to negotiate on an equitable basis the direct or indirect costs and benefits of providing public goods. Partnerships should be fostered on the basis of benefits accruing from economies of scale. Global strategies must be defined with UNDP partners to achieve the provision of global public goods not only with regard to a cleaner environment but also to the international economic environment, financial stability, which is of such concern today, and technological knowledge as a key instrument to successful development. RCF financing should benefit from donor interest in creating and preserving regional public goods.

III. Regional programme performance

12. In response to the priorities established by Latin American countries, the RCF focused on three programme areas: social development and poverty

eradication; environment and sustainable development; and governance and the consolidation of democracy. In the case of the Caribbean countries, the RCF targeted all five thematic areas, with the highest priority accorded to trade and integration. The performance of the implementation of the RCF in each thematic area is analysed below.

Social development and poverty eradication

13. In this component, the RCF focused on: (a) the measurement of poverty and inequality; (b) the relationship between macroeconomic policies, poverty and inequality; (c) advisory services to governments to prepare poverty reduction strategies; and (d) consensus-building on poverty-reduction policies.

14. **Poverty measurements**. The following outputs were produced: updated measurements of poverty incidence, extreme poverty, poverty gaps and severity of poverty in 17 countries; measurements of inequality in those countries, including gender differences; training and strengthening of local counterparts, especially national institutes of statistics, in seven countries through a programme of permanent household surveys to monitor life standards. The following outcomes were identified: establishment of poverty baselines in 17 countries, widely used by local authorities, multilateral institutions, civil society, academic institutions and think-tanks; publicly available data on the evolution of poverty and life standards, increasing transparency and accountability of poverty reduction efforts in 17 countries; strengthening of local capacity to measure, monitor and analyse poverty in 7 countries.

15. **Macroeconomic policies, poverty and inequality**. Three major comparative analyses have been completed: (a) the relationship between macroeconomic policies in 15 countries in the period 1980-1996, through a detailed study of 49 instances of policy change; (b) social expenditure in basic social services in 13 countries, during the period 1989-1998, measuring its effectiveness and efficiency, its effects on poverty and on income distribution, and presenting proposals for expenditure re-structuring to achieve the goals set by the World Summit on Social Development; (c) the effects of globalization on the balance of payments liberalization, and its impact on employment, poverty and inequality in 17 countries, in the period 1989-1999. The following outputs have been produced: 15, 13 and 17 case studies respectively, published in two books and one forthcoming book; three regional comparative analyses on the relationship between policies, poverty and inequality. Gender analysis was incorporated into all the outputs. The major outcomes have been: (a) the demonstration of the central role of macroeconomic policy design in explaining poverty and inequality changes; (b) the importance of macroeconomic policy as the main instrument to reduce poverty and inequality; (c) the importance of social expenditure in basic social services as an instrument for poverty and inequality reduction; (d) the impact of liberalization on poverty and inequality, through labour market changes, specifically unemployment and changes in wage structure; (e) products widely referred to in the debate and specialized literature in the region.

16. **Poverty-reduction strategies**. UNDP provides advisory services for the elaboration of poverty-reduction strategies in seven countries. Four of these nations qualify for debt-reduction schemes for highly indebted poor countries (HIPC). Concrete outputs are: documents, analyses and proposals delivered to government authorities on the basis of missions of experts; poverty and inequality baselines, incorporating updated measurements delivered in all seven countries; 26 seminars organized in the region, for an overall audience of more than 3,000 participants, to present results and discuss options. Important outcomes are: the introduction of concrete targets for poverty reduction in the design of economic policy in these countries; presentation of poverty-reduction strategies to civil society and multilateral organizations; an incipient process of consensus-building through publications and seminars.

17. The countries of the Caribbean have placed the highest priority on deepening their economic integration. Thus, the flagship project of the regional programme (CARICOM Single Market and Economy (RLA/99/020) and its precursor) has become an important tool for building the necessary economic and social pre-conditions for poverty elimination. The main outputs of the project were the preparation of nine protocols, which are the basis for furthering regional integration in important areas. These protocols now need to be implemented and could therefore become an important basis for UNDP support to the region in the next RCF. The Health Management project

(RLA/98/012) contributed in important ways to the realization of the RCF objectives in this priority area and also helped the achievement of objectives in areas of management. The major outcome of the project was the identification of benchmarks for protecting the poor while implementing decentralization and financial changes within the health reform process.

18. These RCF activities contributed to the establishment of a network of some 30 national specialists, representing a mix of qualified scholars and senior policy makers able to provide support to other countries in the region; the strengthening of junior professionals in the smaller countries; and the strengthening of national institutions and governments in the management of poverty measurements, analysis and policy design.

19. These results have been accomplished in close cooperation with ECLAC, IDB, the World Bank and national think-tanks and academic institutions, where UNDP assumed leadership and coordination responsibilities. Interaction with the global programme has been close, through the Poverty Strategy Initiative, follow-up to the 20/20 initiative and regional comparative analyses. Important methodological developments and a recognized network of specialists can be used worldwide in future tasks. Country offices have participated actively in all the programmes, mobilizing TRAC funding and contributions from bilateral donors. Significant resources from multilateral and bilateral donors have been utilized.

20. The need to incorporate more countries could be mentioned among shortcomings identified. Results, recommendations and dialogue on policy proposals should be more widely distributed. Training of UNDP staff in country offices is required. In accordance with trends in the areas of poverty and inequality in the region, some new avenues of activity could improve the impact of the project, more specifically: (a) work on the design of social policies as an instrument for poverty and inequality reduction; (b) carry out results, recommendations and policy design at the local level, with emphasis on municipalities; (c) approach the analysis of the effects of risk on poverty and inequality as a basis for design of national systems of social protection (including health and unemployment insurance, and pensions). An effort should be made to incorporate the lessons learned from the above activities into the UNDP portfolio in all the countries of the region.

Governance and the consolidation of democracy

21. The governance programme is implemented according to the guidelines established by the Chiefs of State and Government at the Ibero-American Summit (Chile 1996) and related forums. Governance is a high-priority area of cooperation in Latin America and the Caribbean. The fact that UNDP national projects in this area of cooperation have been allocated 60 per cent of total resources executed during this period is indicative of the high priority governments attach to governance and institutional reform and strengthening.

22. The programme concentrates on three priority themes: (a) institutional reform, focused on improving the structural reforms implemented in the region during the 1990s; (b) sensitive aspects of democratic governance: the political system, relationships among State powers — executive and legislative bodies — electoral systems, decentralization and local governance; (c) promotion of the rule of law, access and democratization of justice to ensure respect for fundamental rights of citizens and the legal security of investments.

23. An important initiative was launched in the area of institutional development. In a strategic partnership with the International Institute of Governance, a think-tank from Barcelona, Spain, and the Regional Government of Catalunya, which co-financed the endeavour, UNDP supported the establishment for the first time of a governance network in Spanish: the Ibero-American Network for Institutional Development.

24. Outputs of this initiative are: (a) creation of an electronic network supported by an Internet site (www.iigov.org/pnud) with a target of 20,000 users, enabling exchange of information on key governance issues throughout Latin America; (b) establishment of a selected library containing on-line summaries of relevant bibliographical material made available to political leaders, government officials, leaders of civil society organizations, development practitioners and academics; (c) the Forum, a virtual space where debate takes place on selected issues of governance; (d) publication of the journal "Institutions and Development" (five issues) in Spanish, in both electronic form and hardcopy; (e) publication of special reports on governance and human development.

Another important output has been a feasibility study for establishing a virtual school that will include Ph.D. and Masters programmes in governance and human development. The Ph.D. programme is scheduled to start operations in 2000.

25. An outcome of this initiative is more awareness in the region of institutional development. The theory developed by the neo-institutional school of economics was incorporated into the discourse in Latin America and a wide spectrum of organizations and individuals are now involved in applying new theoretical tools to practical applications for State reform and governance issues. In addition, the initiative provided significant inputs for important meetings such as the Congress of the Latin American Centre for Development Administration (CLAD) and the Mexican Workshop sponsored by UNDP and the International Institute of Governance in 1999.

26. Another component of the governance programme was directed to cooperation among presidencies and leadership development. An important outcome is that a Forum of Ministers of Presidencies of the Ibero-American region — including Spain and Portugal — was formed and requested UNDP to be its technical secretariat. In the meeting held in Cordoba, Spain (October 1998), the ministers defined priority cooperation actions: (a) orient governmental work, especially the links between the executive and legislative bodies, assist in the implementation of decentralization policies and political autonomy and communications of governments with civil society; (b) promote modernization of political parties, enhancing their links with society, upgrade policy-making strategies, build internal management practices to improve representation and mediation; (c) train young politicians to promote reforms and modernization of political parties; and (d) create a network of information and training to assist decentralization processes and to promote debate on, inter alia, management of social policies and formulation of employment programmes.

27. Training activities involved the participation of some 300 motivated young political leaders and women leaders in workshops dealing with issues of governance, political reform and representative democracy, modernization of political parties, political negotiation and peace processes, as well as ethics relating to political activity. The participants were selected through consultations with national political parties. These contacts facilitated dialogue and created opportunities for effective change.

28. These initiatives enabled national UNDP offices to advocate national debate on human development, support policy dialogue on institutional reform and propose policy options and feasible solutions. They also facilitated the formulation of strategies and national government programmes in several countries and are providing substantive advice for their execution, with the overall aim of building capacity to improve existing institutions and social capital. Moreover, through these projects, RBLAC was able to rely on a substantive capacity to define a regional strategy that positioned UNDP as a leading agency in the area of governance in the region.

29. With regard to the rule of law, the RCF focused on access and democratization of justice. The World Bank, IDB and other donors are investing considerable resources in the sector and UNDP alone has approved $177.0 million for mostly national projects in judicial reform. The outputs are: (a) establishment of a regional network of more than 400 NGOs with more than 2,500 associates working with human rights and criminal and constitutional justice; (b) sponsorship of the most extensive network of judges in Latin America, the Latin American Federation of Magistrates, with representatives from 19 countries of the region who will fulfil its advocacy role, support policy strategies, studies and national projects; (c) sectoral studies completed in four countries; (d) policy dialogue, identification and formulation of national programmes for the justice sector in 10 countries. In the case of Argentina, for example, the project assisted in the preparation of a proposal to transfer the ordinary court system to the government of the city of Buenos Aires; (e) assessments on access to justice completed in all Central American countries. Key areas are constitutional justice, the legal protection of national foreign investments, access to justice for prison inmates, and mechanisms to improve the rehabilitation of juvenile offenders. Over 70 national and international experts were involved. Partnerships were established with the BDP Management Development and Governance Division (MDGD), the United Nations Volunteers (UNV), the World Bank and IDB and coordination ensured with the United States Agency for International Development. The universities of Salamanca, Oxford and Paris provided consultants through agreements with UNDP; (f) international

workshops and conferences: (i) "Corruption" in Ecuador for 400 civil society representatives, the media, and government authorities; (ii) "Public Security and Criminal Justice" in Costa Rica for 2,000 lawyers, judges and NGO representatives: and (iii) "Access to Justice" in El Salvador, for 1,500 judicial authorities and NGOs; (g) publications, including a CD-ROM on legal instruments on human rights, issues of the journal *Justice and Society* and several books.

30. This initiative brought about important outcomes as demonstrated by the number of national activities generated. Presidents of supreme courts, ministers of justice, ombudspersons and schools of law were actively involved in the programme implementation. Since 1999, the participation of MDGD allowed the transfer of expertise and practices to other world areas through the global programme.

31. The modernization of information systems and management was evaluated and found to be responding to demand from governments. Specialized services are provided to presidencies, supreme courts, ministries and decentralized institutions. Information and management systems software were produced and capacities built in the corresponding institutions. It is recommended that lessons learned from these experiences be disseminated and that the network of specialists be used to address similar issues in additional countries.

32. The governance and consolidation of the democracy programme also shows some shortcomings. In spite of the concentration of activities, the thematic area is still too broad. In addition, the design of projects should have been based on services provided rather than on substantive themes. Finally, better coordination among projects would have allowed more effective use of human and technical resources, as discussed further in the management section.

Environment and development

33. The Environment and Development Programme addresses key priorities of the Forum of Ministers of the Environment of Latin America and the Caribbean. Its main objective is to incorporate environmental factors in economic and social strategic policies. Its activities are particularly relevant at the national, regional and global levels. The Forum of Ministers is a key constituency for environmental policy in the region. UNDP facilitates the implementation of strategic areas of the regional ministerial agenda e.g., institutional analysis of the region, climate change, trade, and subregional strategies. Case studies, exchange of experiences, training and technical cooperation take place in the framework of the Forum as well as partnerships among international organizations (the United Nations Environment Programme (UNEP), UNDP, ECLAC, the World Bank and IDB) through a coordinating body, the Inter-Agency Technical Committee, established in 1998. Outputs achieved in each component are highlighted in the following paragraphs.

34. **Environmental management**. Outputs for this component include: (a) a comparative study of institutional designs for environmental management; (b) a workshop held and a book published on the analysis of economic instruments in seven countries; (c) a study of the quality of air in seven major cities of Central America; (d) a CD-ROM on an environmental information system for Central America; (e) a workshop held and a book published on a regional study on foreign policy and environment. Workshops were organized on all these issues and cooperation with regional networks enabled the organization of joint workshops and/or publications with Consumers International and the Latin American Parliament (PARLATINO). A seminar on climate change targeting parliamentarians was organized at the Fourth Conference of the Parties and its conclusions were published. UNDP funded the formulation and initial activities of the GEF regional project Environmental Citizenship.

35. **Trade and environment**. Outputs in this component were: (a) a study on trade and environment in Latin America and the Caribbean; (b) a compilation of all multilateral agreements on trade and environment (CD-ROM); and (c) a methodological study on renewable and non-renewable natural resources conservation and sustainable use.

36. **Climate change**. Outputs in this component were: (a) policy advice provided and policy dialogue facilitated among negotiators of the United Nations Framework Convention on Climate Change (UNFCCC), parliamentarians, public and private energy sector leaders, NGOs, through the organization of 10 workshops whose documentation and conclusions were published; (b) the web site *www.cdmcentral.org* was designed to support the negotiators of the region;

(c) books, articles and reports were also published: Climate Change and Development, Valuing the Environmental Service of Permanent Forest Stands to the Global Climate: The case of Costa Rica, Cases of Global Environmental Change, Fighting Climate Change: The Commitment of the Latin American Parliament; (d) 12 specialists were trained in identifying, designing and formulating Clean Development Mechanism projects. Through partnerships with the World Bank, IDB, the Central American Bank for Economic Integration (CABEI), the Andean Development Bank (*Corporación Andina de Fomento* (CAF)), the private sector, the E7 as well as bilateral donors, cooperation to countries was strengthened and a strategy of resource mobilization at the regional, subregional and national levels is under implementation.

37. **Subregional strategies**. In Central America, the regional project "Support to the Central American Commission on Environment and Development (CCAD)" is the result of this subregional strategy, which successfully mobilized resources and enabled the establishment of a technical unit in support of the General Directorate for the Environment of the Central American Integration System. The Central American Plan facilitates linkages among the various programme components and incorporates such issues as the disaster caused by Hurricane Mitch. In the Caribbean, the Disaster Emergency Response and Management System project is one of the most important projects in this priority area. The main focus of the project is the enhancement of multi-hazard contingency planning within the concept of integrated comprehensive disaster management. It helped to consolidate institutional capacity through the establishment of the Caribbean Disaster Emergency Management System, thereby enhancing disaster-management capacity regionally. It can also be considered to be very relevant to the process of sustainability. The principal output of a project on training in environmental health was the upgrading of skills of health practitioners and community workers in the areas of environmental health and health promotion, and heightening the public's awareness of environmental health issues and ways to promote and prevent deterioration in environmental health. Finally, in developing the maritime sector, the regional capacity to regulate effectively its maritime activities was not only enhanced but focus was also placed on the conservation of the marine environment. Additional subregional environmental strategies were delayed stakeholders directly involved were not prepa initiate the corresponding processes for O Amazonia and Chaco.

38. Tierramérica, a joint UNDP/UNEP ini resulted in the implementation of a commun initiative on sustainable development based multimedia platform (Internet, radio, television) to a network of 10 newspapers publishing 1.2 copies of a weekly page in many countries region.

39. Coordination with Capacity 21 allowe establishment of a regional facility in Mexic supports national sustainable development ini and a network of sustainable develo practitioners. The aim is: (a) to promote the ex of information and lessons learned; (b) to bu these lessons to contribute to elaborate a proposal for Rio+10; and (c) to mainstream C 21 principles and methodologies in programmes.

40. The Global Environment Facility (GEF) cu provides financial support to a relevant portf UNDP regional projects. Important examples i the establishment of the Programme fo Consolidation of the Mesoamerican Bio Corridor (from Mexico to Panama); the developr a Strategic Action Programme for the Susta Management of the Rio de la Plata and its M Front; Sustainable Management of Lake Ti Renewable Energy Development in 13 Car Countries; and Rehabilitation of Contaminated and Coastal Areas in the Caribbean (Cub Jamaica). These projects enable participating co to identify and channel future investmen conservation and sustainable use of regionall globally important natural resources and to buil capacities to manage them over the long Particularly relevant for regional cooperation, financing is provided through UNDP to over cent of the countries in the region to enable th fulfil their commitments to the global conv (UNFCCC and the Convention on Biological Di (CBD)). Further coordination should optimize th between GEF regional projects and the RCF.

41. These results have been accomplished in collaboration with UNEP, ECLAC, IDB, the Bank and national think tanks and ac

institutions. Interaction with the global programme has been close, through the GEF, Capacity 21, the Energy and Atmosphere Programme (EAP). South-South cooperation has also been promoted with the support of the Special Unit for TCDC.

42. The major outcomes for the Environment and Development Programme are: increased awareness of the linkage between environment and development, and knowledge creation and dissemination on the above strategic areas. In addition, regional and national capacities in government institutions and civil society organizations will be developed for: (a) UNFCCC and trade negotiations; (b) project identification, design and implementation in the above strategic areas; and (c) strengthening formal and informal networks. Resources for priority programmes and projects have been mobilized from bilateral and multilateral donors. Finally, UNDP country offices have participated actively in the implementation of this programme and have benefited from an increased knowledge base of sustainable development and from access to high-level expertise and substantive networks.

Trade and integration

43. For the Caribbean component of the regional programme, this was the area of highest priority, given the objectives of these countries to strengthen their economic integration and to improve their trade opportunities in an increasingly globalized world. Project activities to support the creation of the CARICOM Single Market and Economy were undertaken. The major output was the preparation of nine protocols, by means of several workshops and seminars. In addition, activities supporting the Development of the Services Export Sector in CARICOM member States, and the further development of the CARICOM music industry were also carried out. The last two sets of activities were more directly concerned with helping the countries of the subregion to improve their participation in global trade, particularly in the services sector. The major output was a set of workshops and studies that sought to sensitize trade officials and trade negotiators from the region to the new norms governing services trade in global and regional agreements. Regional copyright laws were also developed, organizations strengthened, and international marketing training provided to enable the CARICOM countries to benefit from the opportunities presented in the services sector, particularly in the music industry, which represents an important resource for the region.

Science and technology

44. As mandated by the Hemispheric Summit on Sustainable Development (Bolivia 1996), an electronic network for sustainable development of the Americas and its web site "Plaza 21" were designed. Plaza 21 functions and tools are fully operational and support networks such as the group of negotiators from the region participating in the UNFCCC negotiations. These negotiators use the web site *www.cdmcentral.org* as a tool for their work. In partnership with UNEP, UNDP is also articulating the sustainable development communication initiative "Tierramérica" through an Internet-based multimedia platform (*www.tierramerica.net*), using Plaza 21 functions and tools. In the Caribbean, information technology and networking with regional and international centres of excellence facilitated information-sharing and foreign policy coordination.

45. Communication, navigation and surveillance, and air traffic management systems as well as a digital network were established and are being implemented through two fully cost-shared projects executed by the International Civil Aviation Organization (ICAO).

46. The management of the Technological Information Promotion System (TIPS), an information network for trade and technology, aiming at supporting small- and medium-scale enterprises was fully cost-shared and NGO executed. Since e-trade and the use of information technology are priorities for the region, it is recommended that the impact of this project be assessed and that lessons learned from this pilot experience be disseminated.

Gender

47. The decision to incorporate the issue of gender across sectors in all the processes of development responds to a global demand of the United Nations system as well as those of other international organizations. This inter-agency effort, coordinated by the United Nations Development Fund for Women (UNIFEM), centres its attention on a campaign opposing violence against women in 19 countries. This

project will be evaluated on the occasion of the Symposium on Violence in the Americas to be held in November 2000 in Peru under the sponsorship of UNDP, the United Nations Population Fund, the United Nations Development Fund for Women (UNIFEM), the Pan-American Health Organization (PAHO) and IDB. Another initiative (RLA/97/011) implements through national machineries and civil society organizations, a programme to promote participation of women in processes of political decision-making as well as incorporating the issue of gender-in-development processes.

48. The participation of groups that work on the project's issues of violence against women and women's political participation enriched debates on the implementation of the covenants on Women's and Human Rights which have been ratified by the countries of the region. They also enabled the evaluation of new mechanisms such as the network of Women Bureaux and the Gender Centre of Excellence piloted in Central America by Costa Rica. Nevertheless, the programme shows some shortcomings. The funds assigned were insufficient to cover the costs of activities in every country and the projects did not have a clear strategy to build alliances with organized groups. Some country offices assumed the coordination of these programmes in the absence of a clear mechanism to enhance collaboration with other United Nations organizations and NGOs in the field. Clear priorities and responsibilities should be outlined if the programme is to continue.

Key issues

49. The review confirmed that the RCF has served as a catalyst for introducing strategic issues into the agenda of the region (inequality, justice, climate change), for debate and greater interaction among the different actors to promote common perspectives on key elements of sustainable human development.

Ownership

50. The review confirmed the sense of ownership of the programme by governments. Several sectoral and subregional forums (e.g.: Forum of Ministers of the Presidency, Presidents of Supreme Courts, Forum of Ministers of the Environment, Central American Commission for Environment and Development, CARICOM, OECS) actively participated in defining project priorities, endorsed project proposals and were involved in varying ways in their implementation. However, the technical cooperation authorities were insufficiently informed on the implementation of these projects. The use of information technology should facilitate appropriate coordination of the various projects and the provision of systematic information to technical cooperation authorities.

Focus

51. The mid-term review of the fourth regional programme (DP/1995/47/Add.5)' recommended a focus on fewer priorities and a smaller number of high impact projects. The review confirmed that the first RCF was more focused than previous regional programmes (only 35 projects compared with 138 in the fourth regional programme). However, in view of the financial situation, further consolidation and focus on fewer projects are required.

Partnerships

52. Through the implementation of the RCF, UNDP established strong partnerships with other development actors (international institutions, civil society, academic and private sectors) in the pursuit of the achievement of common objectives in each of the areas of concentration, as documented in Chapter III. The partnerships with the World Bank, IDB, ECLAC, the United Nations Children's Fund (UNICEF), UNEP and bilateral donors facilitated the carrying out of comparative studies in a cost-effective manner. These partnerships helped to establish joint objectives and improve coordination with the participating countries. They also facilitated the making of agreements on common methodologies and the gathering of information needed to improve the design of policies and programmes, coordinate macroeconomic and social policies and, above all, complement the programme functions, analyses, investment and execution.

53. The RCF implementation also enabled the incorporation of new partners, which contributed to knowledge creation. The partnership with centres of excellence and regional think tanks increased the UNDP knowledge base at regional and national levels and fostered UNDP capacity to engage in policy dialogue and provide policy advice. Although the participation of extraregional think tanks such as the International Institute of Governance (Spain) has been instrumental for advancing the vision as well as the

regional agenda, it is necessary to link these centres more systematically to local institutions in order to build further capacities in the region. Established networks such as the Latin American Association of Environmental Law (ALDA), PARLATINO and the Latin American Federation of Magistrates (FLAM) have been successful implementing agents. New networks have been promoted in areas such as macroeconomics, poverty and inequality, generating knowledge and information-sharing among countries.

Linkages with national and global programmes

54. The first RCF made important progress in linking regional projects to UNDP national and subregional programmes: (a) the justice programme developed assessment of 10 national justice systems, which allowed the corresponding country offices to launch national programmes for the reform of the national justice system; (b) in the area of macroeconomics and poverty, results and experts from the regional programme were directly used to help three HIPC countries and five non-HIPC to design poverty reduction strategies; (c) in the area of environment and development, the subregional project "Support to the CCAD" is a result of the successful linkage between the regional project RLA/97/006 and the Central American requirements; the climate change regional component enabled eight countries to identify and design national projects. This approach should be strongly and systematically pursued in the future to maximize in each country the influence of the RCF on the large UNDP portfolio in the region.

55. Although mandates conferred to UNDP by global conferences have been addressed, RCF activities were insufficiently related to the UNDP global programme. Exceptions are the area of environment; justice in the area of governance; macroeconomics, poverty and inequality in the area of social development and poverty eradication. In the area of environment, several joint initiatives and projects have been developed with the BDP Sustainable Energy and Environment Division (SEED), the Global Environment Facility (GEF), Capacity 21, the Energy and Atmosphere Programme (EAP), the Office to Combat Desertification and Drought (UNSO). An assessment of civil society and the indigenous people participation in the Hidrovia regional project has been carried out with the BDP Civil Society Organizations and Participation Programme. The justice programme has been co-sponsored and managed by RBLAC and the Global Governance Programme. As a result, some of the experience and consultants of the region are being shared with other regions. The RCF contributed to the overall assessment of the 20/20 initiative in 13 countries and close interaction between the regional programme and the poverty strategy initiative took place in nine countries of the region.

Project design

56. The review identified a lack of clarity in the type of services to be provided by the regional programmes and projects. In order to implement the RCF more effectively, the review established a typology of these services. Three categories of services have been identified: (a) services that address issues common to several countries. These services consist of the promotion of common approaches to address shared problems. They include carrying out comparative studies (e.g., macroeconomics and poverty), addressing environmental global issues (e.g., climate change, biodiversity) and promoting regional or subregional integration approaches; (b) services that respond to UNDP/governments joint initiatives. These aim at promoting a dialogue on matters of common interest in high-level political forums (e.g., Forum of Ministers of the Presidency, Forum of Ministers of the Environment). This category of services allows UNDP to advocate human development and to position itself in the upstream policy dialogue at the regional level; (c) services that result in economies of scale. This category allows the promotion of themes and concepts at the national level through a regional approach, the establishment of networks and the provision of high-level technical cooperation. This is mainly the case of projects in the area of governance: justice, construction and strengthening of democratic institutions and State reform. The future RCF projects design should specify the type of service to be provided.

IV. Management

57. The United Nations Office for Project Services (UNOPS) executed 40 per cent of the first RCF projects while 30 per cent were nationally executed, 23 per cent were executed by other agencies and 7 per cent were executed by NGOs. The following innovations and best practices in programme/project implementation and management have been identified:

NGO execution, which had been tested in the region as a regional pilot project during the fourth regional programme, has now been mainstreamed in UNDP and is being implemented in the region through three regional projects, allowing civil society organizations to become more active in regional development. The modality of national execution by an intergovernmental body has been extended. In addition to CARICOM executing most of the Caribbean projects, CCAD is implementing two large projects, one of them being the GEF Project "Mesoamerican Biological Corridor", the other "Support to the CCAD". As a pilot, the modality of national execution by a specific Government, Mexico, on behalf of the participating countries and the Forum of Ministers of the Environment of Latin America and the Caribbean, has been implemented with full success for the environment programme. This modality seems to have contributed to developing a sense of ownership by the participating countries and to be very cost-effective.

58. In terms of execution, the programme shows the following shortcomings: (a) none of the execution modalities have fully used the latest information and communication technologies, which would have speeded up processes and reduced transaction costs; (b) reporting is cumbersome, mixes technical and administrative information requirements and does not necessarily result in feedback and decision-making. Information should be simplified and available through the Internet to all stakeholders and interested parties.

59. Headquarters has provided adequate monitoring to regional project implementation, resulting in a heavy workload in New York. With the downsizing of headquarters, a systematic decentralization of monitoring responsibilities should be implemented. The Principal Project Representative (PPR) role should be strengthened for this purpose. The establishment of regional service centres/subregional resource facilities (SURFs) linked to the PPR could facilitate monitoring. The use of information technologies should become systematic to allow on-line follow-up and monitoring. This would also enhance ownership, transparency and accountability in executing the RCF. It should also be noted that the evaluation compliance is low. However, the introduction of a client survey in the evaluation process has proven important in measuring the degree of satisfaction of stakeholders and should be systematically adopted in the evaluation of regional projects.

60. There is adequate financial control and supervision of the quality of contracting goods and services in the regional programme despite deficiencies in physical and technological infrastructure. Nonetheless, this area requires further improvements. The review concluded that country offices should more actively support the implementation of regional programmes. Consequently, the regional programme should be grounded in a network arrangement with headquarters performing as an important node that provides vision and oversight. Moreover, the regional network should include regional service centres/SURFs located in PPR offices with expertise in one of the priority themes to take care of coordination and the substantive, operational and administrative linkage of priority areas. These units must perform the task of linking national programmes, creating an institutional memory, identifying lessons learned, providing substantive support and carrying out the administrative actions necessary for the execution of regional activities under their responsibility.

61. The design of the regional programme and its implementation has benefited from the close collaboration in headquarters between policy advisers and regional programme managers. Thus, the UNDP knowledge base in the thematic areas has been expanded, allowing the organization to position itself for upstream policy dialogue and services at the regional and national levels. The matrix management being presently implemented should benefit from this fruitful collaboration. The decentralization of policy advisers to the region should further enhance UNDP substantive capacity.

62. The management of the regional programme has historically been the object of criticism for various reasons, the most notable being the following: (a) little involvement of governments and UNDP country offices in the design and execution of projects; (b) lack of linkages with national programmes; (c) unbalanced allocation of resources to the various countries as a result of the mistaken perception that the regional programme should subsidize national activities. Addressing these problems in a traditional way would result in increasing transaction costs (trips, meetings, consultations, infrastructure, etc.). Consequently, communication and information technologies should be used to involve the stakeholders more systematically and reduce transaction costs. Moreover, the regional

programme resources should not be viewed as a simple supplement to limited country resources.

V. Conclusions and recommendations

63. The RCF was implemented in the thematic areas approved by the Executive Board. However, the reduction of resources originally allocated limited the scope of RCF activities. Priorities must therefore be chosen on a more selective basis, targeting those critical areas where higher impact can be achieved and UNDP has clear comparative advantage.

64. The review detected a sense of ownership of regional projects by the respective sectoral authorities and subregional institutions. However, national coordinating authorities were less involved in the implementation of the RCF. It is therefore imperative to provide them with up-to-date information to strengthen ownership and improve coordination among thematic areas. It is recommended that an on-line information system be established to allow appropriate follow-up of the RCF implementation by key stakeholders.

65. The first RCF made important progress in linking regional projects to UNDP national programmes. This approach should be strongly and systematically pursued in the future to maximize the influence of the RCF on the large UNDP portfolio at the national level. The use of information technology, coupled with systematic links with local institutions should help future programmes to achieve a higher degree of synergy and sustainability.

66. Although mandates conferred to UNDP by global conferences have been addressed, RCF activities were insufficiently related to the UNDP global programme. Exceptions are the areas of environment; justice in the area of governance; and macroeconomics, poverty and inequality in the area of social development and poverty eradication. The ties between the global programme and regional bureaux through matrix management should ensure a more effective use of human resources to position UNDP as a provider of upstream policy services.

67. Coordination across thematic areas, including full mainstreaming of the gender dimension, continues to be a challenge for the implementation of the RCF. The review recognizes that the various thematic areas deal with different sectoral authorities, stakeholders, countries and even subregions. Again, efforts must be intensified to make use of potential synergies and positive effects that strategic coordination can bring about. The recent regional initiative to strengthen national human development reports could be a vehicle to pull together sectoral initiatives to maximize the advocacy role of UNDP for sustainable human development. The potential offered at the local level to integrate different dimensions of human development should be promoted through a regional initiative.

68. As mandated by the Executive Board, the RCF implementation focused on fewer projects in the priority areas. The design of programmes and projects emphasized substance over services to be rendered. Thus, outcomes and performance indicators are not always clearly defined, making monitoring and evaluation difficult. Regional programmes and projects should be structured according to the methodology of results-based management and services to be provided should be defined.

69. Partnerships developed through the RCF implementation should be strengthened. The incorporation of academic centres and think tanks has proved important for widening the UNDP knowledge base and capacity to engage in policy dialogue and provide policy advice. In the case of international financial institutions, UNDP played a key leadership role in those areas where it has expertise. The challenge ahead is the translation of general agreements on common objectives into operational activities.

70. Communication on RCF substantive activities has involved more professional and academic constituencies than policy makers. Tierramérica is a valuable initiative for the advocacy of sustainable human development to the public in general. It should be combined with additional initiatives targeting policy makers and consisting in the dissemination of knowledge and the promotion of dialogues and debates.

71. Future management will gain from decentralization and the intensive use of information and communication technologies. These will bring about a reduction in transaction costs, will take advantage of UNDP capacity in the field and will enable regional activities to be more efficient, transparent and accountable.

72. An improved focus and a lower number of projects will allow UNDP to improve its performance

in execution, monitoring and evaluation. National execution and NGO execution should be further expanded.

Annex

Financial summary

Region: Regional Programme for Latin America and the Caribbean
RCF period: 1997-2000
Period under review: January 1997-December 1999

	Regular resources		
Programme areas	*Amount originally assigned*[a]	*Amount actually assigned*[b]	*Actual expenditures*
	(Thousands of US dollars)		
Social development and poverty eradication	6 533	4 600	2 676
Governance and the consolidation of democracy	7 404	5 200	6 093
Gender	1 524	1 000	334
Environment and development	2 177	1 500	2 073
Trade and integration	2 613	1 900	826
Science and technology	1 524	1 034	1 417
Subtotal	**21 775**	**15 234**	**13 419**

	Other resources		
Programme areas	*Amount originally targeted*[c]	*Amount actually mobilized*[b]	*Actual expenditures*
	(Thousands of US dollars)		
Social development and poverty eradication	5 940	136	136
Governance and the consolidation of democracy	3 960	770	770
Gender	-	-	-
Environment and development	54 780	60 498[c]	4 916
Trade and integration	-	-	-
Science and technology	1 320	2 878	1 662
Subtotal	**66 000**	**64 282**	**7 484**
Total	**87 775**	**79 516**	**20 903**

[a] Prorated for period under review.
[b] Prorated for period under review.
[c] For GEF Projects, amounts approved by GEF Council/Secretariat for 1997-1999.